

# Thinking About Working After Retirement?

## For members of the School Employees' Retirement System Plan 2 and Plan 3

If you receive a service or disability retirement benefit from the School Employees' Retirement System (SERS), there are some issues that you should consider before returning to the work force.

### Accrual Dates

If you retire from active SERS employment or you are eligible for retirement when you separate from service, your accrual date is the first day of the month following termination of employment with your SERS employer. If you are not eligible to retire when you separate from service with a SERS employer, your accrual date is the first of the month following the date you become eligible for retirement.

### Employment Restrictions

With the exception of disability retirees, the employment restrictions discussed in this brochure apply only to positions covered by DRS-administered retirement systems. There is no penalty for working for a private employer or a public employer not covered by a DRS-administered retirement system. If you are a disability retiree refer to the Disability Section.

### What Happens if I Return to Work before My Accrual Date?

If you terminate employment and apply for retirement, but return to work for a SERS-covered employer before your accrual date, your retirement is nullified and you return to active membership, and must resume paying contributions.

### What Happens if I Return to Work after My Accrual Date?

#### If you return to work before a full calendar month has passed

Regardless of your Plan (2 or 3), if you return to work for a SERS-covered employer before being separated from employment for a full calendar month following your accrual date, your benefit will be reduced 5.5 percent for every eight hours worked to a maximum of 160 hours. If the reduction is in excess of 100 percent of the benefit, the excess is taken from the next month's benefit payment. The reduction continues until you are absent from employment with a SERS-covered employer for a full calendar month.

#### If you return to work for a DRS-covered employer after a full calendar month has passed

You will continue to receive retirement benefits under SERS, if:

- You work in a position that is ineligible for SERS membership, or
- You work for 867 hours or less in a calendar year in one or more SERS, TRS, PERS or LEOFF-eligible position(s).

### Suspension of Benefits

As a service retiree from either Plan 2 or 3, your benefits will be suspended after working in excess of 867 hours in a calendar year. Benefits will remain suspended until you terminate SERS-covered employment or until the end of the calendar year, whichever comes first. At the beginning of the next calendar year you will again be eligible to work in a SERS-eligible position until the hourly limit is reached without loss of benefits.

### Working in positions covered by other DRS-administered retirement systems

As a SERS retiree, if you return to work in a TRS-eligible position, PERS-eligible position and, in most cases, a LEOFF-eligible position, (Law Enforcement Officers' and Fire Fighters' Retirement System), the SERS return to work rules apply, not the TRS or LEOFF rules.



## **If I Go to Work for a Public Employer, Can I Become a Member and Contribute to a Retirement System?**

You have the option to return to active membership any time you are employed in a SERS-eligible position. The option may only be exercised prospectively. If you re-enter SERS membership, your benefit will be stopped. When you again retire, your benefit will be recalculated to reflect the additional service credit earned. As a SERS service retiree, you also have the option to enter membership, pay contributions and accumulate service credit in either the Public Employees' Retirement System or the Teachers' Retirement System (PERS and TRS) at anytime. However, if you become an active (contributing) member in one of these systems, you will forfeit SERS retiree status and your pension will be stopped until you retire again.

## **When You Work for a DRS-Covered Employer after Retirement**

You must let your new employer know that you are a retiree. It is your employer's responsibility to report your "return to work" information to DRS. DRS must recover any benefit payments that are made in error. If your retirement benefits continue in error, whether due to your own or your employer's oversight, DRS must recover the amount you were overpaid.

## **If I Am Retired for Disability, Will Working Affect My Benefits?**

Post retirement employment restrictions for disability retirees are the same as service retirees. (See "What happens if I return to work after my accrual date?")

In addition, your benefits will stop if:

- A medical examination indicates that you have recovered from the disability; and
- You are offered a job with a SERS employer at a wage comparable to your last SERS employment (adjusted salary).

Adjusted salary equals the salary you were receiving when you retired, adjusted to reflect changes in the Consumer Price Index (CPI-U, Seattle) since your retirement.

## **Recalculating Your Benefit**

If you go to work, and opt to return to active membership, your retirement benefit will be recalculated when you reapply for retirement benefits. If you complete two or more years of uninterrupted active SERS membership after going back to work, you will have the opportunity to select a different benefit option and/or beneficiary when you again retire.

## **As a Dual Member, How Will Working Affect My Pension?**

A dual member is a retiree who qualified for retirement by using service credit accumulated under more than one system. In certain situations, returning to membership results in termination of benefits under both systems. If you have questions, contact DRS at 1-800-547-6657.

## **If I Stop Retiree Health Care Coverage Upon Returning to Work, Can I Pick It Back Up When I Terminate Employment?**

If you retired from state government, a public education facility, or other employer that participates in the Public Employees Benefits Board (PEBB), you have the option to return to PEBB-sponsored coverage when you return to full retirement status. For more information concerning health care for retirees from PEBB-sponsored employers contact the Health Care Authority (HCA) at 1-800-200-1004 or visit the HCA Web site at [www.hca.wa.gov](http://www.hca.wa.gov).

## **If I Return To Work, Can I Contribute to a Deferred Compensation Program?**

Many public school districts, and other public employers in the state provide a supplemental retirement program such as a 457 deferred compensation program in addition to a DRS-administered retirement system. These programs enable employees to build a personal retirement account and reduce their payroll taxes.

As a working retiree, you can participate in a supplemental retirement plan up to an annual maximum contribution amount depending on your income.

If your employer provides the Washington State Deferred Compensation Program (DCP) you can learn more about how returning to work affects your participation by contacting DCP at 1-888-327-5596.

## **Social Security Benefits**

For information about how working after retirement might affect your Social Security benefits, contact the Social Security Administration at 1-800-772-1213, or visit the Social Security Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov).

## **To Learn More**

For answers to your particular re-employment questions, contact DRS at 1-800-547-6657.

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The actual provisions governing working after retirement are contained in the Revised Code of Washington (Chapter 41.35 RCW and WAC 415-110). This brochure is a summary of those provisions, not a complete description of the law, and describes provisions currently in effect. If you retired under special provisions, other laws may apply. If there are any conflicts between what is written in this brochure and what is contained in the law, the applicable law will govern.